



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

June 15, 2020

The Honorable Cindy Hyde-Smith
United States Senate
702 Hart Senate Office Building
Washington, DC 20510

Dear Senator Hyde-Smith:

Thank you for your letter regarding my proposal to establish a 5G Fund for rural America and the importance of collecting more accurate, precise, and granular broadband deployment data. As you noted in your letter, the COVID-19 pandemic has made it clear how critical it is that all Americans have access to broadband and, as you also noted, the pandemic has only accelerated this need. This is particularly true for unserved areas that do not receive any mobile high-cost funding under the decades-old legacy support system. The legacy support system continues to award hundreds of millions of dollars a year without any requirement for recipients to expand service to unserved areas. To change this and help bridge the digital divide, the Commission adopted a Notice of Proposed Rulemaking on April 23, 2020, proposing to spend up to \$9 billion to support 5G deployments across the country.

In the NPRM, we sought comment on two approaches to establishing eligibility for the auction. The first would be the fastest path to award funding to rural areas that would not likely see 5G deployments absent support. This approach would use existing data to assess how rural an area is and establish eligibility on that basis, using historic mobile coverage filings to prioritize areas that have historically lacked 3G or 4G LTE service and an adjustment factor to address the relative costs of deploying in more mountainous terrain. Under this approach, we estimate that we could conduct an auction and award funding in 2021.

The second approach would delay an auction until a new mobile data collection, in accord with the Broadband Deployment Accuracy and Technological Availability Act (Broadband DATA Act), is completed. In the Digital Opportunity Data Collection rulemaking begun in August 2019, we relied heavily upon the Universal Service Administrative Company (USAC) for challenge process design, administration, and execution. As you know, however, the Broadband DATA Act prohibits our reliance on USAC for the Broadband DATA Act's specified data collection. I want to emphasize that we communicated clearly and repeatedly, as the Broadband DATA Act progressed through Congress last year and this year, that if the USAC prohibition remained in the bill, Congress would need to appropriate funds for the Commission to implement the Act's requirements. Unfortunately, that has not happened; we have not been given the funding necessary to implement the new data collection, either in-house or with contractors. Accordingly, we cannot initiate a new mobile data collection until we receive funds from Congress, either through a supplemental fiscal year 2020 appropriation or in fiscal year 2021.

Based on the Commission's experience in deploying new, industrywide map-based data collections, staff has estimated that completing the new statutorily required rulemaking; developing the IT systems and resources necessary to collect and verify submitted mobile coverage data and allow for a public-facing challenge process (whether done in-house or via contract); collecting, verifying, and analyzing the coverage data; and collecting and adjudicating any challenges to these data would add at least 18-24 months to the auction process, even if Congress were to appropriate sufficient funds to implement the Act and a subset of carriers are able to generate new data more quickly.

As the 5G Fund NPRM acknowledges, these two approaches reflect a fundamental and undeniable challenge in balancing competing concerns. We can move quickly to bring 5G to rural areas based upon existing data or we can delay awarding funding for 5G until we collect and process new mobile coverage data. Recognizing this tradeoff, we are seeking comment on both approaches and will decide based upon the record.

I agree with you that it is critical, in bridging the digital divide and bringing next generation wireless networks to all Americans, that the Commission better understand where broadband is available and where it is not. And I agree with you that we should both improve our coverage maps and support the deployment of 5G services to rural areas. Both efforts are a top priority and we are moving forward on both proceedings as fast as possible given funding constraints.

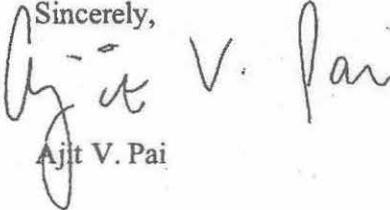
As mentioned above, the Commission in 2019 adopted the *Establishing the Digital Opportunity Data Collection Report and Order and Second Further Notice of Proposed Rulemaking*. That Further Notice proposed expanding the Digital Opportunity Data Collection to cover mobile broadband providers to ensure that their maps are accurate and updated in order to reflect changes in mobile broadband technology. The Commission outlined a number of proposals intended to improve our wireless mapping efforts, including standardizing technical parameters for mapping 4G LTE availability, accepting crowdsourced data from third parties, supplementing provider-submitted maps with on-the-ground and drive test data, strengthening the Commission's data verification practices, and reforming the collection of mobile voice and broadband subscription data. The Broadband DATA Act affirms the FCC's approach to collecting more accurate broadband data through our DODC program, and I appreciate Congress's endorsement of that general approach. We are focusing on moving forward in this rulemaking in the coming weeks so that these new data can inform our future efforts to fund rural broadband.

In closing, I would reiterate it is vital for Congress to provide the FCC as soon as possible with the appropriations necessary to implement the Broadband DATA Act. Commission staff have determined that at least \$65 million is needed to provide start-up costs and to implement the measure for roughly one year, and staff have provided this request to the Appropriations Committees of the U.S. Senate and House as well as the Senate Commerce, Science, and Transportation Committee and the House Energy and Commerce Committee. If Congress does not act soon, this well-intentioned legislation will have the unfortunate effect of delaying rather than expediting the development of better broadband maps. I look forward to working with

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Congress in the near term to secure this funding, so that we can ensure that we have the best tools available for bridging the digital divide for the American people.

Please let me know if I can be of any further assistance.

Sincerely,

Ajit V. Pai



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

June 15, 2020

The Honorable Jon Tester
United States Senate
311 Hart Senate Office Building
Washington, DC 20510

Dear Senator Tester:

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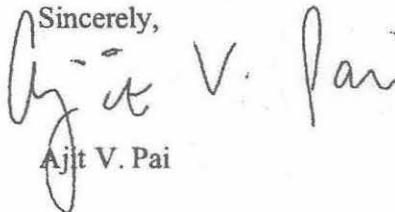
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Page 3—The Honorable Jon Tester

Congress in the near term to secure this funding, so that we can ensure that we have the best tools available for bridging the digital divide for the American people.

Please let me know if I can be of any further assistance.

Sincerely,

A handwritten signature in black ink that reads "Ajit V. Pai". The signature is written in a cursive style with a large initial 'A' and a distinct 'Pai' at the end.

Ajit V. Pai



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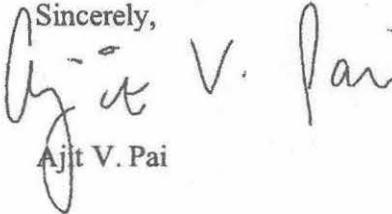
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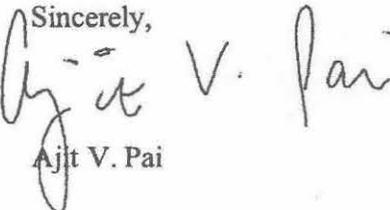
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